



# **CITY OF SANTA BARBARA SANTA BARBARA FINANCING AUTHORITY**

## **AGENDA REPORT**

**AGENDA DATE:** June 23, 2009

**TO:** Board of Directors, Santa Barbara Financing Authority

**FROM:** Administration Division, Finance Department

**SUBJECT:** Investment Of Airport Bond Proceeds In The State Of California Local Agency Investment Fund

### **RECOMMENDATION:**

That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Establishment of an Account with the Local Agency Investment Fund of the Treasurer's Office of the State of California.

### **DISCUSSION:**

With the sale of the Airport bonds, staff is now arranging for the orderly investment of the bond proceeds which are being held by the trustee, Bank of New York Mellon (BNY). While this is underway, the funds are invested in a money market fund through BNY.

Staff is recommending that the Authority Board authorize the Authority to open an account with the State of California's Local Agency Investment Fund (LAIF). LAIF offers a superior rate of return compared to other short-term investment options and the bond documents specifically identify LAIF as a permitted investment.

The attached resolution will authorize the Authority to open a LAIF account and authorizes the Executive Director (City Administrator) and the Treasurer (City Finance Director) to conduct transactions on behalf of the Authority.

**SUBMITTED BY:** Robert D. Peirson, SB Financing Authority Treasurer

**APPROVED BY:** City Administrator's Office